

REMARKS/ARGUMENTS

Favorable reconsideration of this application as presently amended and in light of the following discussion is respectfully requested.

Claims 1-23 are pending in this case. Claims 1, 2, 11, 12, 14, and 15 are amended by the present amendment. Amended Claims 1, 2, 11, 12, 14, and 15 are supported by the original claims, and thus add no new matter.

In the outstanding Office Action, Claims 1, 3-9, 11, and 14 were rejected under 35 U.S.C. §102(e) as anticipated by Barzilai et al. (U.S. Patent No. 6,012,045, hereinafter "Barzilai"). Claims 2, 10, 12, 13, and 15-23 were rejected under 35 U.S.C. §103(a) as unpatentable over Barzilai in view of Naor et al. (U.S. Patent No. 6,834,272, hereinafter "Naor").

An interview was held on June 23, 2005 to discuss the present case, attended by Examiner Bayat, Ed Tracy, and Ray Cardillo. The applicants would like to thank the examiner for his time in conducting the interview. The differences between the claimed invention and the cited reference were discussed in detail. The Examiner agreed to reconsider the rejections of record after filing of the present amendment.

With regard to the rejection of Claim 1 under 35 U.S.C. §102(b) as anticipated by Barzilai, the rejection is respectfully traversed.

Amended independent Claim 1 recites a bidding system comprising, *inter alia*:

bidding information receiving means for receiving  
bidding price range information sent by a bidder over a  
communication network, said bidding price range information  
including a plurality of bid prices; and  
fee calculating means for calculating a fee based on the  
bidding price range information received by the bidding  
information receiving means.

Barzilai describes a computer-based electronic bid, auction, and sale system where the system receives bids and determines a bid range that each of the bids falls in.<sup>1</sup> It is respectfully submitted that there is not teaching in Barzilai for a bidding system that receives bid range information, as the system disclosed by Barzilai determines the bid ranges itself. As Barzilai does not teach “bidding information receiving means” as recited in amended Claim 1, it is respectfully submitted that Claim 1 (and Claims 3-9 dependent therefrom) is not anticipated by Barzilai, and is patentable thereover.

Claims 11 and 14 recite similar elements to Claim 1. Accordingly, Claims 11 and 14 are believed to be patentable over Barzilai for at least the reasons discussed above with respect to Claim 1.

With regard to the rejection of Claim 2 under 35 U.S.C. §103(a) as unpatentable over Barzilai in view of Naor, this rejection is also respectfully traversed.

Claim 2 recites a bidding system comprising, *inter alia*:

- bidding information receiving means for receiving bidding price information and bidding price range information sent by a bidder over a communication network, said bidding price range information including a plurality of bid prices;

- bidding price information sending means for sending bidding price information received by the bidding information receiving means over the communication network to the bid caller;

- bidding price information leakage prevention means for preventing the operator of the bidding system from knowing any of the bidding price information received by the bidding information receiving means; and

- fee calculating means for calculating a fee based on the bidding price range information received by the bidding information receiving means.

Naor describes a system for performing auctions. As Naor also does not describe receiving bid price range information, it is respectfully submitted that neither reference teaches or suggests “bidding information receiving means” as recited in Claim 2.

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<sup>1</sup>See Barzilai, column 15, lines 60-64.

Further, in contrast to the invention recited in Claim 2, Naor explicitly states that the auctioneer learns the winning bid price. For example, the Abstract of Naor states “The outcome of an auction can be determined by an auctioneer without learning any information about the bids, *except for the bid which determines the clearing price*, and without learning any information about the bidders, except for the winning bidder.” Further, Naor states, “The present invention enables the auctioneer to compute the result of the auction without learning any information about the bids, except for the identity of the winner, and *the amount the winner has to pay*.”<sup>2</sup> Accordingly, as Barzilai clearly discloses that all the bids are known to the auctioneer,<sup>3</sup> it is respectfully submitted that neither reference teaches or suggests “bidding price information leakage prevention means” as recited in Claim 2.

Since the cited references do not teach or suggest each and every element of Claim 2, Claim 2 (and Claims 17-23 dependent therefrom) is patentable over the cited references.

Claims 12 and 15 recite similar elements to Claim 2. Accordingly, Claims 12 and 15 are believed to be patentable over Barzilai and Naor for at least the reasons discussed above with respect to Claim 2.

Claim 10 recites a bidding system comprising, *inter alia*:

shared key receiving means for receiving, over a communication network, a shared key different for each bidder that has been created by the bid caller and stored in an electronic envelope;

shared key sending means for sending, over the communication network, the received shared keys to the bidders;

bidding price information receiving means for receiving, over the communication network, bidding price information that has been encrypted with a shared key sent by the shared key sending means; and

bidding price information sending means for sending, over the communication network, bidding price information that has been received by the bidding price information receiving means to the bid caller.

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<sup>2</sup>Naor, column 5, lines 62-65.

<sup>3</sup>See Barzilai, column 16, lines 24-45.

The outstanding Office Action did not cite specific portions of Barzilai or Naor as teaching or suggesting the elements of Claim 10. It is respectfully submitted that at least the “shared key receiving means” is not taught or suggested by the cited references. During the interview, Examiner Bayat suggested that the Issuer described in Naor could be interpreted as a bid caller, and thus the system described in Naor would include the recited “shared key receiving means.” However, as further discussed during the interview, Naor teaches that the disclosed method prevents the issuer from knowing the bids.<sup>4</sup> Since the bid caller must know the bids to determine the winning bidder and award the item or service bid for, Naor teaches away from the claimed invention. Further, the proposed combination would be unsuitable for its intended purpose if the bid caller was unable to determine the bid information.

Accordingly, it is respectfully submitted that neither of the cited references teaches or suggests “shared key receiving means” as recited in Claim 10.

Claims 13 and 16 recite similar elements to Claim 10. Accordingly, Claims 13 and 16 are believed to be patentable over Barzilai and Naor for at least the reasons discussed above with respect to Claim 10.

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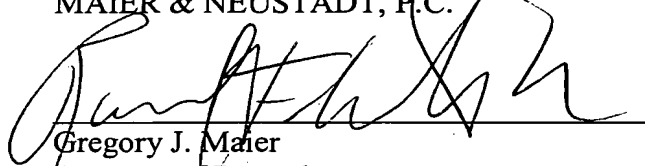
<sup>4</sup>See Naor, column 6, lines 29-20.

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Consequently, the outstanding rejections are traversed and the pending claims are believed to be in condition for formal allowance. An early and favorable action to that effect is, therefore, respectfully requested.

Respectfully submitted,

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A handwritten signature in black ink, appearing to read 'Gregory J. Maier', is written over a horizontal line.

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